(12) INTERNATIONAL APPLICATION PUBLISHED UNDER THE PATENT COOPERATION TREATY (PCT)

(19) World Intellectual Property Organization
International Bureau

(43) International Publication Date
15 March 2001 (15.03.2001)

PCT

(10) International Publication Number
WO 01/18712 A1

(51) International Patent Classification⁷: G06F 17/60

(21) International Application Number: PCT/US00/24592

(22) International Filing Date:
8 September 2000 (08.09.2000)

(25) Filing Language: English

(26) Publication Language: English

(30) Priority Data:

09/393,730	10 September 1999 (10.09.1999)	US
09/393,730	5 September 2000 (05.09.2000)	US
09/657,309	7 September 2000 (07.09.2000)	US

(81) Designated States *(national)*: AE, AG, AL, AM, AT, AU, AZ, BA, BB, BG, BR, BY, BZ, CA, CH, CN, CR, CU, CZ, DE, DK, DM, DZ, EE, ES, FI, GB, GD, GE, GH, GM, HR, HU, ID, IL, IN, IS, JP, KE, KG, KP, KR, KZ, LC, LK, LR, LS, LT, LU, LV, MA, MD, MG, MK, MN, MW, MX, MZ, NO, NZ, PL, PT, RO, RU, SD, SE, SG, SI, SK, SL, TJ, TM, TR, TT, TZ, UA, UG, US, UZ, VN, YU, ZA, ZW.

(84) Designated States *(regional)*: ARIPO patent (GH, GM, KE, LS, MW, MZ, SD, SL, SZ, TZ, UG, ZW), Eurasian patent (AM, AZ, BY, KG, KZ, MD, RU, TJ, TM), European patent (AT, BE, CH, CY, DE, DK, ES, FI, FR, GB, GR, IE, IT, LU, MC, NL, PT, SE), OAPI patent (BF, BJ, CF, CG, CI, CM, GA, GN, GW, ML, MR, NE, SN, TD, TG).

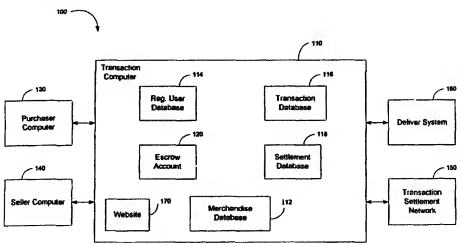
Published:
— *With international search report.*
— *Before the expiration of the time limit for amending the claims and to be republished in the event of receipt of amendments.*

For two-letter codes and other abbreviations, refer to the "Guidance Notes on Codes and Abbreviations" appearing at the beginning of each regular issue of the PCT Gazette.

(71) Applicant and
(72) Inventor: **RODGERS, William, C.** [US/US]; 413 McLellan, Liberty, MO 64068 (US).

(74) Agent: **MYERS, Susan, M.**; Spencer Fane Britt & Browne LLP, Suite 1400, 1000 Walnut Street, Kansas City, MO 64106-2104 (US).

(54) Title: WEB-BASED SYSTEM TO FACILITATE PURCHASE, PICK-UP, AND DELIVERY OF, AND ESCROW AND PAYMENT FOR, MERCHANDISE



(57) Abstract: A Web-based purchasing method using a networked computer system (100) to facilitate the purchase of merchandise by a purchaser (130) from a seller (140). The system receives a purchase offer from the purchaser to purchase a merchandise at an established purchase price. The system (100) then transmits a request to a shipper to pick the merchandise from the seller (140) and an amount at least equal to the established purchase price is transferred from the purchaser's financial account into an escrow account (120). The escrow account (120) is being controlled by a transaction computer (110) based on information contained in the transaction database (116). After the merchandise is delivered to the purchaser (130) at the purchaser's address, and following an inspection period, at least a portion of the gross purchase price is transferred from the escrow account to the seller's financial account as well as to other participants of the web-based purchasing system.

WO 01/18712 A1

WEB-BASED SYSTEM TO FACILITATE PURCHASE, PICK-UP, AND DELIVERY OF, AND ESCROW AND PAYMENT FOR, MERCHANDISE

Cross Reference to Related Application

This application is a continuation-in-part of U.S. application serial number 09/393,730, filed September 10, 1999.

Field of the Invention

The present invention relates generally to electronic commerce, and, more particularly, to a method and system for enabling commerce over a large public network that includes capabilities for electronically integrating pick-up and delivery of, and escrow and payment for merchandise.

Background of the Invention

Increasingly, individuals and businesses are desirous of selling their products and services in an automated fashion using a large, networked computer system such as the Internet. As the number of people worldwide who have access to the Internet (and particularly the World Wide Web portion of the Internet) increases, the Internet is expected to grow and become one of the world's most significant new marketplaces. Currently, the vast majority of electronic commerce, that is the buying and selling of information, products and services over computer networks, is business-to-business. However, one particular e-commerce market segment that is growing almost exponentially each year is individual-to-individual, or so-called peer-to-peer, transactions. Individual-to-individual commerce can take many forms including, for example, the various auction websites available on the Internet. Others who may participate in the individual-to-individual commerce market include merchants for antiques and collectibles, memorabilia enthusiasts, home crafters, sporting and entertainment season ticket holders, family households, and the like. There exists, however, several barriers to this market segment's ability to effectively conduct commerce over the Internet.

One drawback to the increased use of the Internet in this individual-to-individual market segment is that the participants often have no means of electronically transferring payments from the buyer to the seller. While conventional businesses typically use credit cards, debit cards, or other forms of payment, sellers, particularly individuals and small businesses, have limited means to establish relationships with credit card companies and other similar financial

institutions. The need for a conventional merchant account in order to accept payment with a credit card impedes commerce on the Internet because an average individual Internet user may have a difficult time qualifying for such a merchant account.

Additionally, the parties to an individual-to-individual transaction often do not have a relationship with a pick-up and delivery service. Because many potential participants in the individual-to-individual market segment typically ship a small amount of packages on an annual basis, they lack the power and ability to negotiate preferred rates with such delivery services. Furthermore, commercial pickup and delivery services require individuals to pay for shipping with cash only. Individuals may pay for shipping services with check or credit card (noncash payment) through a third party facilitator. However, facilitators currently require that the packages be delivered from the facilitator's location; thus requiring individuals to transport their packages to the facilitator's location for shipping. Currently, independent third parties cannot arrange for delivery of a package from a first party to a second party.

One significant problem with e-commerce in general is the instance of fraud. This is particularly problematic in the individual-to-individual market because often there is no established trust relationship between the parties to such a transaction. One possible solution to the fraud problem is the use of a third party escrow service that holds the payment until the purchaser is satisfied in exchange for a fee. While escrow services are generally available for electronic commerce transactions over the Internet, the available services are not seamlessly integrated into the entire purchasing process and, in particular, are not tied directly into the pick-up and delivery of the merchandise. None of these existing online escrow services provide more than the escrow function and all require telephone or other authorization from the buyer before the escrowed funds are distributed. In each instance, pick-up and delivery must be separately arranged and paid for by the parties to the transaction. Also, even if an individual were capable of accepting payment by a credit card, presently most credit card companies do not allow the settlement of funds from a buyer's account until actual shipment of the goods ordered is complete. This puts the merchant or seller at risk that the purchaser will not have sufficient funds or credit availability to complete the transaction.

Accordingly, there is a need for a system that facilitates the purchase of merchandise over a networked computer system that fully automates the negotiation, fulfillment and payment aspects of electronic commerce. A preferred system would link and automate the entire

commerce process, permitting buyer and seller to arrange and complete the agreed-upon transaction without ever leaving their computer terminals.

Summary of the Invention

A system having these features and satisfying these needs has now been developed. The present invention is a fully electronically integrated web-based purchasing system that links and automates every stage of a transaction in the e-commerce cycle. The system facilitates an e-commerce transaction between a seller and a purchaser by providing the means to allow the purchaser to use his or her credit card, debit card, electronic check, or financial account as a payment vehicle, electronically schedules pick-up and delivery of the purchased merchandise, virtually escrowing the seller's goods during the transaction, escrows the purchaser's money during the fulfillment and inspection period, and electronically distributes funds to the entitled parties after the purchaser has received, inspected and accepted the merchandise.

In one embodiment of this invention, a web-based purchasing method using a networked computer system to facilitate the purchase of merchandise by a purchaser from a seller is established. Preferably, the seller and the purchaser each have an associated financial account such as a credit card, check card, electronic check with bank routing and checking account numbers, and/or other financial accounts to facilitate the purchase of merchandise using the invention. The networked computer system includes a merchandise database having stored therein a product profile table for the merchandise. The networked computer system may receive a purchase offer initiated from the purchaser to the seller for merchandise offered for sale by the seller at an established purchase price. Also, the networked computer system may receive an offer to sell initiated from the seller to the purchaser for merchandise wanted for purchase by the purchaser. The offer to sell may or may not include a sales price desired by the seller. Additionally, the purchaser may initiate a purchase offer without stipulating a purchase price. The established purchase price may have been previously negotiated between the parties by using the networked computer system for offer/counter offer, or it may have been predetermined in advance by the seller and accepted by the purchaser. The purchase offer can be associated with the purchaser's financial account and the purchaser's registered delivery address. The networked computer system recognizes acceptance of the offer/counter offer, by the seller or the purchaser, and a transaction identification number (TID) may be created, thus establishing an

associated purchase and transaction account between the seller and the purchaser. A request for authorization for credit against the purchaser's financial account is generated and transmitted to a financial institution associated with the purchaser's financial account to verify that the purchaser has the gross purchase price in the purchaser's financial account to make the purchase. The gross purchase price generally includes the purchase price established between the seller and the purchaser, as well as all appropriate transaction fees. The financial institution then generates an authorization indicator in response to the request for authorization, which is then reviewed by the system to verify that the purchaser is authorized to make the purchase using the purchaser's financial account. At this point, the purchaser's funds or credit may be reserved. The seller may be notified by the system that an authorized purchaser desires to purchase the merchandise offered for sale; alternatively, the seller may be notified by the system of an unauthorized purchase offer (i.e. prior to the system requesting an authorization for credit). The seller may be specifically requested to acknowledge the purchase offer by the purchaser, to confirm that the merchandise is still available for purchase, to accept the purchase offer and to establish the date the merchandise may be ready for shipment. The system may generate a query to the seller prior to the established shipment date requesting confirmation that the merchandise is packaged and ready for pick-up and delivery. The system then transmits a request to the delivery system which automatically contacts a carrier associated with the delivery system to pick up the merchandise from the pick-up address specified by the seller. The carrier then picks up the merchandise, as confirmed by the carrier to the delivery system, and an amount equal to the established gross purchase price is transferred from the purchaser's financial account into an escrow account. After the merchandise is delivered to the address specified by the purchaser, as confirmed by the carrier to the delivery system, at least a portion of the established purchase price is transferred from the escrow account to the seller's associated financial account, as well as to other participants of the web-based purchasing system. This transfer from the escrow account may be delayed for a predetermined amount of time pending the purchaser's acceptance of the merchandise.

The foregoing and other objects are intended to be illustrative of the invention and are not meant in a limiting sense. Many possible embodiments of the invention may be made and will be readily evident upon a study of the following specification and accompanying drawings comprising a part thereof. Various features and subcombinations of the invention may be

employed without reference to other features and subcombinations. For instance, a person may deliver a package utilizing the delivery system of the present invention without using the escrow services. The delivery system of the present invention allows users to pay for shipping using noncash methods such as checks and credit cards, and allows users to arrange for packages to be picked up from any location. The current invention overcomes the deficiencies of previous delivery systems which required either cash payment, or transportation of packages to a third party facilitator's location.

Brief Description of the Drawings

These and other features, aspects, and advantages of the present invention will become better understood with regard to the following description, appended claims, and accompanying drawings wherein:

Figure 1 is a schematic block diagram of a networked computer system to facilitate the purchase, pick-up and delivery of, escrow, as well as payment for merchandise in accordance with one embodiment of the present invention; and

Figures 2 through 5 are flow charts showing the functions of a method to facilitate web-based purchase of merchandise using a networked computer system as shown in Figure 1.

Figure 6 is a flow chart showing the options for a person using the system of the present invention to access the delivery system of Figure 1.

Figure 7 is a flow chart showing the user registration process shown of Figure 6.

Figure 8 is a flow chart showing the user logon process shown of Figure 6.

Figure 9 is a flow chart detailing the user menu shown of Figure 6.

Figure 10 is a flow chart showing the shipping detail process of Figure 9.

Figure 11 is a flow chart showing the payment detail process of Figure 9.

Figures 12 through 14 are flow charts showing of the display transaction process of Figure 9.

These drawings are provided for illustrative purposes only and should not be used to unduly limit the scope of the present invention.

Detailed Description of the Invention

The present invention transforms the online buying process by linking and automating every stage of the transaction including: (i) purchase offer, negotiation, and offer acceptance; (ii) credit verification and billing authorization; (iii) verification of product manufacture and shipping status; (iv) order fulfillment (i.e., pick-up and delivery) virtually escrowing the merchandise; (v) credit settlement and purchase funds escrow; and (vi) escrow settlement and merchant payment. Referring now to Figure 1, therein is shown one preferred web-based purchasing system **100** to facilitate the purchase of merchandise by a purchaser from a seller. The system **100** includes, and is controlled by, a transaction computer **110** that is connected to a publicly available network, such as the Internet global computer network.

The transaction computer **110** controls the overall operation of the web-based purchasing system **100** of the present invention. For example, the transaction computer **110** may provide a website **170** organized in a variety of ways providing functions such as enabling users to become registered sellers and/or purchasers, allowing sellers to advertise their products, allowing potential purchasers to review and select merchandise, allowing the users to negotiate a transaction, and allowing the users to complete a transaction, including the functions of payment and delivery. The website **170** may allow participants of the web-based purchasing system **100** to communicate and interact with the system **100** and other participants. The website **170** may be linked to other websites, allowing users who have negotiated a transaction and agreed upon a purchase price and possible other conditions using other means, such as an auction website, to complete their transaction using the system of the present invention. These other websites may be termed net venue transaction participants. The website **170** may include other functions, such as allowing the merchandise available for purchase through the system to be advertised and accessed in a variety of ways, such as through a conventionally-implemented search engine.

In addition to the traditional computer components, such as a processor, random access memory (RAM), read only memory (ROM), an operating system, and various communication devices and ports, the transaction computer **110** incorporates a number of databases. For example, the transaction computer **110** may have a merchandise database **112**, which stores information related to a plurality of products offered for sale through the web-based purchasing system **100**. This information may be arranged into product profiles and includes, for example, the product identity; the seller's identifying information, and the established purchase price for

the product. The product profile may also include various types of other product information, i.e., further details on the product and its availability. The product profiles may include digital advertisements in a variety of multimedia formats, including audio, photographs, video, and text. Additionally, the advertisement may direct the potential purchaser to the seller's own website by, for example, a hypertext link. The product profiles stored in the merchandise database **112** may be generated from information obtained from the seller, or may be linked to databases from other websites. Thus, a net venue transaction participant may host its own website containing a database of product profiles that may be accessed via the purchasing system **100**. The transaction computer **110** organizes and uses the information stored in the merchandise database **112** to create the website **170** that digitally advertises and/or provides information about the products for sale.

The transaction computer **110** preferably also includes a registered user database **114**, which maintains a list of registered buyers and purchasers as well as information required of the users to allow them to access and use the features of the web-based purchasing system **100**. Each record of the registered user database **114** may include information relating to the user, such as name, e-mail address, delivery and/or pick-up address, telephone number, and financial account information. Financial account information for registered purchasers includes a viable and approved credit card or checking account information. Sellers must generally provide a checking account routing and account number to allow direct electronic deposit of funds upon the completion of a transaction. This information is obtained when a seller or purchaser first registers to use the web-based purchasing system **100** using, for example, website **170**, and may preferably be updated or revised anytime a seller or purchaser connects to the system **100**. The transaction computer **110** may assign an account number and/or a password to each registered user. The use of a password ensures that only the registered user, or someone under his or her control, has access to view and/or modify information relating to his or her account or any transaction that he or she may be participating in through the system.

The transaction computer **110** also houses a settlement database **118**, which stores information related to the communications between the transaction computer **110** and a transaction settlement network **150** as described below. The settlement database **118** also controls the automated re-authorization process as described below. The transaction computer **110** also preferably includes a transaction database **116**, which tracks all transactions performed

through the system **110** with fields such as delivery status, pick-up status, buyer acceptance of transaction, seller acceptance of transaction, ship date, package delivery, etc. The transaction database **116** thus stores information relating to "active" transactions, i.e., those transactions that are not yet complete, to enable the system **100** to appropriately monitor and process such on-going transactions. Additionally, the transaction database **116** stores information related to completed transactions, to enable the operators of the system **100** to review any past transactions in response to, for example, user complaints. As those skilled in the art will appreciate, portions of the transaction database **116**, particularly the portion related to completed transactions, may be archived and removed from the memory of the transaction computer **110** and stored on other conventional off-line memory devices, such as tape drive or mass storage disks.

The transaction computer **110** also includes an escrow account **120**, which temporarily holds the purchaser's funds pending approval of the merchandise by the purchaser. The escrow account **120** is controlled by the transaction computer **110** based on information contained in the transaction database **116**. The escrow account may be organized by all parties involved in the purchasing system **100**.

The transaction computer **110** is connected to a publicly available network, such as the Internet, by an Internet Service Provider through a conventional telephone network, or through commercial on-line services, such as America OnLine, Yahoo!, or Uunet, allowing purchasers and sellers a wide range of connection alternatives through which users may access the system of the present invention. Typically, a buyer or seller may access the system by, for example, a purchaser computer **130** and/or a seller computer **140**. Although Figure 1 shows only one purchaser computer **130** and a single seller computer **140**, the system **100** is understood to extend to include multiple buyers and sellers, each having their own computers to network to, and communicate with, the transaction computer **110**. In another embodiment, multiple users (sellers and purchasers) can access the system **100** through a third party's computer system, which may be located at, for example, an auction site, a traditional brick and mortar retail store, at a collectibles show, or another's residence. Thus, a user of the system **100** need not even own a personal computer to take advantages of the benefits of the present invention. Also, a seller or a purchaser may be an individual, a group of people, a company, or an institution.

A delivery system **160** is also connected through the network to the transaction computer **110**. The delivery system **160** includes a carrier capable of picking up and delivering

merchandise, such as United Parcel Service, Federal Express Corp., the United States Postal Service, or bulk item transportation providers, such as Mark VII. The delivery system **160** also preferably includes a computer system incorporating conventional tracking capabilities to allow the transaction computer **110** to monitor the status of packages picked up and delivered in connection with the system **100**, which may be accessed directly by the purchaser and seller to review the delivery status. The delivery system **160** communicates with the transaction computer **110** via the network to schedule pick-ups and delivery of merchandise and to provide the status of such deliveries. The timely communication between the delivery system **160** and the transaction computer **110** ensures that the escrowing of both the purchaser's money and the seller's merchandise is achieved.

The transaction computer **110** is also networked to certain financial services, such as a transaction settlement network **150**. The transaction settlement network **150** represents presently-available commercial institutions that process credit and other financial transactions. For example, the transaction settlement network **150** may represent commercially available credit card processing institutions (e.g., VISA, Master Card, Discover, etc.). The transaction settlement network **150** also includes banks or other institutions that provide merchant accounts for entities that want to receive payment for the sale of goods or services. In this invention, the operators of the system **100** act as a merchant, thus allowing sellers to sell their merchandise to purchasers without having to qualify as credit card merchants. Thus, the operators of the system **100** have a merchant account that is similar or identical to the conventional merchant accounts that are provided to businesses. The transaction computer **110** interfaces with the transaction settlement network **150** to collect and distribute payments to the various parties involved in the system, including purchasers, sellers, delivery systems, escrow services, banks, billboards, and referral sources. For example, a purchaser's transactions that are initiated using the system **100** would show up on the purchaser's credit card statements as a charge from operators of the web-based purchasing system **100**. Processing of credit card transactions by the transaction computer **110** through the transaction settlement network **150** may be supported by various commercially available software packages, such as WebCash Manager by Pulitzer & Haney or WebAuthorize by Tellan.

In one embodiment of the present invention, the transaction computer **110** operates as a web server, both receiving and transmitting e-mail messages related to merchandise available for

purchase through the system and on active transactions processed by the system. The transaction computer **110** thus must be capable of high volume transaction processing, performing a significant number of mathematical calculations, processing communications as rapidly as possible, and performing database searches. A processor such as a Pentium 686 may be used as the transaction computer **110**, or any equivalent processor or multiple processors networked together. The transaction computer **110** includes software capable of performing all system operations as described below in further detail. Also, while the embodiment described herein describes a single computer performing the functions attributed to the transaction computer **110**, those skilled in the art will appreciate that such functions may be distributed across a larger number of computers, including those connected across a network.

Generally, users of the presently preferred web-based purchasing system communicate with the system using e-mail messages. Certain information may also be posted or accessible through website **170**. Alternatively, purchasers and sellers may access the transaction computer **110**, albeit in certain instances with human involvement, telephone, voice-mail, facsimile, or postal mail transmissions.

Figures 2 through 5 are schematic flow charts showing the functions of a method to facilitate the purchase of merchandise using a web-based purchasing system as shown in Figure 1, in accordance with one embodiment of the present invention. Except for the interaction between the system and the purchaser and seller, the entire process of the present invention may be fully automated.

The networked transaction computer **110** waits until a user connects to and logs on the system (function **202**), and selects the type of transaction to process. A user generally connects to the system by accessing website **170** coupled to and controlled by the transaction computer **110**. However, participants may use the system via another's website via a hyperlink to connect to the system through a dedicated home page or by reference from any licensed net venue transaction participant permitted to connect to the website **170**. A net venue transaction participant is one who participates in the web-based purchasing system by providing an entry point into the system. Thus, a net venue transaction participant may host its own website containing a database of product profiles that may be accessed via the purchasing system **100**. Typically, a net venue transaction participant provides a means for its customers to negotiate a transaction, but does not offer services to allow its customers to complete the transaction. For

example, the net venue transaction participant may be an auction website that allows its customers to "negotiate" or otherwise arrive at an agreed upon price for the merchandise. Upon completion of the auction process, the auction website may then suggest to its customers that they connect to the present web-based purchasing system **100** to complete the transaction, i.e., to arrange for pick-up and delivery of and payment for the merchandise. Because the net venue's customers "complete" their transactions separate from the net venue's website (e.g., pick-up and delivery of, and payment for merchandise purchased), the net venue participant is left to collect its own receivables by conventional means (e.g., billing the merchant/debtor and then receiving payment by mail or phone.) However, the present invention enables net venue participants to collect and receive payment for their receivables at the same time their customers complete their transactions using the web-based purchasing system **100**.

In order to use the web-based purchasing system **100** for transactions, the purchaser and the seller both need to have registered as users of the system **100**. As registered users, such purchasers and sellers of the system **100** may conduct commercial transactions with each other, such as selling products using the features of the present invention. The user may logon to the system via an electronic network, with the transaction computer **110** acting as a web server. For example, a person may initially register as a new seller by providing the transaction computer with the seller's registration information or modify the registered seller's existing information (function **204**). This seller's information may include, for example, the seller's name, e-mail address, pick-up address, telephone number, and financial account information. Another person may elect to register as a new purchaser or modify the registered purchaser's information (function **206**). A new seller or pre-registered seller may choose to add or modify merchandise to the merchandise database (function **208**). Similarly, a purchaser may advertise that he/she desires to purchase certain merchandise at an established offer price. Each of these actions results in the system updating the appropriate registered user and/or merchandise databases to reflect the new or modified information. Additionally, the transaction computer **110** may assign a password and/or account number to each new registered user. While the preferred method for a user to register with the web-based purchasing system **100** would be to access the system's website, alternative forms of registration may be used, including e-mail, facsimile transmission, postal mail, etc.

In addition to establishing an account with the web-based purchasing system, a purchaser may elect to issue a purchase offer for particular selected merchandise (function **210**) at an established purchase price. The purchase price may be established as an advertised price as shown in the on-line advertisement for the merchandise, or may be a negotiated price, negotiated through the present invention or off-line methods, such as face-to-face negotiation, auction (including web-based auction sites), newspapers, telephonic or written communications, or other advertising mediums. The established purchase price may also be defined as a counteroffer issued by the purchaser to a seller's advertised price, or a counter offer issued by the seller in response to a purchaser's counteroffer. The purchaser may identify the particular merchandise by searching through the products available for sale in the merchandise database **112** using, for example, a search engine located in the transaction computer **110** and accessed by the purchaser computer **130**. Importantly, a purchaser and a seller may meet and negotiate a sale independently of the system **100** and then use the system **100** to complete the transaction by simply logging onto the system and using its features to arrange for pick-up and delivery of, and payment for the sold merchandise.

After the purchaser logs-on with the system (function **202**), and then selects the merchandise offered for sale (function **212**), the system requests the purchaser's preferred payment method and delivery address (function **214**). The system then requests the purchaser to validate his or her preferred payment method (function **216**). If the purchaser desires to alter either the payment method or the delivery address for this particular transaction, the purchaser then provides the system with his or her financial account information and/or delivery address (function **218**). Payment methods may include conventional credit cards, personal checks, electronic funds transfer, digital money, E-cash, etc. Using the purchaser's selected or provided financial account information, the system then requests authorization for credit approval for an amount equal to at least the established purchase price, plus possibly an additional estimated amount to cover delivery and transaction fees, from the transaction settlement network (function **220**). The delivery and transaction fees can be paid entirely by the purchaser, paid entirely by the seller, or paid partially by the purchaser and partially by the seller. The transaction fees may include payments to net venue participants, other referral sources, fees for escrow services, fees for the operator of the web-based purchasing system **100**, and applicable taxes. If the transaction settlement network **150** indicates that the purchaser has sufficient funds or credit available to

purchase the selected merchandise (function **222**), the system then reserves the funds (function **224**) and control is then transferred to function **226**. This function serves to "lock-up" a portion of the available credit on the purchaser's credit card or other payment vehicle while the transaction is "active." At function **222**, the transaction settlement network responds to the pre-authorization request, indicating whether sufficient credit is available. When the purchaser selects merchandise the transaction settlement network **150** will provide a Transaction Identification number (TID), which the transaction computer **110** stores in its transaction database **116** along with other information related to this "active" transaction, for later reference. The other information stored in the transaction database **116** may include the product selected, the seller, the buyer, and the stage of the transaction. If the transaction settlement network **150** responds that the purchaser has insufficient funds or credit available, the system terminates the authorization request and so notifies the purchaser (function **225**). At this point, the purchaser may supply another financial account to make the purchase or terminate the transaction completely. If the purchaser supplies another financial account, the system repeats starting at function **220**.

If the purchaser has sufficient funds or credit, the system then notifies the seller and provides the seller with a purchase offer specifying the transaction details, such as the selected merchandise and the purchase amount (function **226**). This notification is preferably by way of an e-mail message delivered by the system. Upon receipt of the notification, and after reviewing the transaction details (which may be provided in the e-mail message or through website **170**), the seller can then either (function **230**): (i) accept the purchase offer; (ii) reject the purchase offer and terminate the transaction process (function **228**); or (iii) reject the purchase offer and attempt to re-negotiate the offer by supplying the purchaser with a counteroffer (function **234**). If the seller elects to attempt to re-negotiate the offer, the seller provides a counteroffer to the purchaser for consideration (function **232**), through the web-based purchasing system, which is tracked by the system in the transaction database **116**. The purchaser can then terminate the transaction or initiate another purchase order, using the seller's offered price, or another offer from the purchaser (function **234**). The process then repeats starting at function **226**. The system may also include a provision that, in the event that the purchaser or seller does not respond to a purchase offer or a counteroffer within a predetermined period of time, the system will terminate the active transaction. Additionally, if the authorization to charge the purchaser's

credit card account is about to expire, the system can automatically suspend the transaction until the purchaser's credit is re-authorized by repeating functions **220** through **224**.

Once the seller has accepted the purchaser's offer, or the purchaser has accepted the seller's counteroffer, the seller then provides pick-up instructions, such as, for example, the pick-up address, the estimated pick-up date, the number of packages, and the approximate weight of the packages (function **233**). Certain of this information may be retrieved from the registered user database **114** and/or the merchandise database **112**. This information is then transferred to the delivery system **160** (function **236**), which awaits further instruction from the seller as to when the packages are available for pick-up. Once the package(s) is available for pick-up (function **238**), which may be delayed pending product manufacture by the seller, the seller notifies the delivery system **160** through the system. Again, the system can incorporate a number of checks and balances to ensure that all pending transactions are completed within a given period of time. As another example, the system could notify the seller if he or she has not notified the delivery system that the package is available for pick-up within a predetermined amount of time.

The delivery system **160** is then provided the transaction information (TID) and is automatically dispatched to pick up the packages (function **240**). The information on the transaction sent to the delivery system **160** is preferably sufficient to allow the delivery system to print out a delivery label, which the carrier can then carry out to the seller's address and readily attach on the package(s). An e-mail message may be sent from the delivery system (possibly through the transaction computer) to the seller to remind him or her of the pick-up date and to request more specific information regarding the merchandise (e.g., number and weight of packages) (function **242**). The delivery system may not actually dispatch a carrier to the seller's address unless the seller acknowledges this confirmation. Upon confirmation that the packages have been picked up from the seller, the monies previously reserved against the purchaser's financial account are transferred into the system escrow account **120** (function **244**). Thus, the escrow account allows payment to the seller to be delayed until the delivery of the merchandise to the purchaser is confirmed and until the purchaser has had a sufficient amount of time to inspect the merchandise, while, at the same time, ensuring that the purchaser will in fact make payment. Thus, during this period of time, both the money and the merchandise are escrowed by the system. Another e-mail message may then be sent to both the purchaser and seller to notify

them of the progress of the transaction (function **246**). The merchandise is then delivered to the purchaser's specified delivery address (function **248**).

The purchaser's funds are held in the escrow account until the purchaser has an opportunity to inspect the purchased merchandise. After delivery of the merchandise is electronically verified by the delivery system and the buyer has inspected and accepted them, or has failed to reject the merchandise within a predetermined amount of time, the escrowed funds are released to the entitled parties using, for example, automated NACHA electronic fund transfer files through the transaction settlement network **150** (functions **250** through **256**). The interested parties receiving payment may include, in addition to the seller, the operator of the web-based purchasing system **100**, the escrow service, the transaction settlement network **150**, and the delivery system **160**. An additional payment may be made to a third party net revenue transaction participant, such as an auction site, from which the parties initiated their transaction, and/or other referral sources. Details of the transaction may be recorded in the transaction database **116** (function **258**).

The present invention also provides for automated resolution of disputes. For example, in the event the purchaser desires to reject the merchandise (function **250**), the purchaser contacts the web-based purchasing system (function **260**) and provides a reason for the rejection, which may include a defective or broken product, that the product is not as advertised, or that the purchaser simply no longer desires the product. The web-based purchasing system may then notify the delivery system to pick-up the merchandise from the purchaser and return it to the seller (function **262**) and release the escrowed money back to the purchaser's account, minus any appropriate transaction fees (function **264**). While those skilled in the art may establish many different approaches for handling each of the various types of rejections, set forth below is one set of approaches.

In the event the purchaser rejects the merchandise because it is defective, the purchaser notifies the web-based purchasing system, which then automatically contacts the delivery system **160**, and the carrier associated with the delivery system is notified to return to the purchaser to pick-up the defective merchandise and return it to the seller. The system will send the seller a message via e-mail notifying him or her to expect return of the merchandise. If the seller can repair or replace the defective merchandise, the purchaser can notify the system and arrange for re-delivery. Generally, the seller will incur the charges for this extra shipping charge.

In the event the purchaser rejects the merchandise because he or she simply no longer desires the merchandise, the purchaser notifies the web-based purchasing system, which then automatically contacts the delivery system **160**, and the carrier associated with the delivery system is notified to return to the purchaser to pick-up the merchandise and return it to the seller. Upon verified return of the package(s) to the seller, the purchaser's funds are returned via the transaction settlement network **150**, possibly after subtracting any appropriate shipping charges and appropriate transaction fees.

In the event the purchaser rejects the merchandise because it is broken or damaged, the purchaser notifies the web-based purchasing system, which then automatically contacts the delivery system **160** for resolution, and the carrier associated with the delivery system is notified to return to the purchaser to pick-up the merchandise for inspection. If the delivery system, and/or carrier, is determined to be at fault, the escrowed funds will be held pending resolution by the delivery system with the purchaser and seller. Upon resolution, the escrowed funds will be released to the appropriate parties. In the event the carrier associated with the delivery system is determined not at fault, the merchandise is returned to the seller for resolution in a manner as a defective product.

In the event the purchaser rejects the merchandise because it is not as advertised or represented, the purchaser notifies the web-based purchasing system and the carrier associated with the delivery system is notified to pick up the merchandise and return it to a location associated with the operator of the system **100** for resolution. Such resolution may, in appropriate circumstances, involve contacting authorities if it is determined that commercial fraud may be involved.

The present invention also incorporates a means to keep the authorization issued by the transaction settlement network **150** "live" during the pendency of an active transaction. As is known, most credit card issuers automatically drop an authorization if the authorization has not been settled within a certain period of time (e.g., between 7 and 31 days). The present invention includes the ability to re-time a credit card or electronic funds authorization that allows the original credit authorization issued by the settlement transaction network **150** to retain its original authorization number and amount authorized until the authorization is settled, or until a specific predetermined fulfillment date has passed. The re-timing of the authorization must occur before the drop date of the authorization, which varies for each credit issuer. The system's

transaction computer **110** references the purchaser's original credit authorization and authorization date for each transaction. The transaction computer **110** then communicates with the settlement network **150** providing the settlement network's computer with a specific re-authorization period of time (e.g., between 3 days and 7 days) which then automatically, and continuously, "re-times" the original credit authorization until a specific predetermined fulfillment date has passed.

Additionally, the purchasing system **100** of the present invention can include a means to cancel a credit authorization prior to the credit issuer's drop date, enabling the system to free up the purchaser's credit account in the event a transaction is canceled. Such a feature is useful if the product offered for sale is no longer in the seller's inventory. This function generally involves the seller notifying the web-based purchasing system **100** that the merchandise offered for sale is not longer in inventory, or the purchaser's offer to purchase merchandise is ignored by the seller and a predetermined "offer acknowledgment" date (e.g., between 1 and 5 days) has passed. The transaction computer **110** then communicates with the settlement network **150** providing the settlement network's computer with a specific re-authorization period of time of "0" days. The settlement network **150** then automatically drops the purchaser's original credit authorization.

While Figures 2 through 5 show one embodiment of the present invention, those skilled in the art will readily recognize that many variations exist and fall within the spirit and scope of the present invention. For example, a seller may, when adding a particular product to the merchandise database **112**, establish that he or she will automatically accept any purchase offer above a given strike price. This will eliminate the function of having the seller "accept" the purchaser's purchase offer and further streamline the process. The seller may also indicate a quantity of products that are available, which can be stored in the appropriate product profile of the merchandise database. The transaction computer **110** may then keep track of how many products are sold and delivered and continue to advertise such product until all are sold. Thus, using these two features, a seller could connect to the web-based purchasing system **110** once, add a product to the merchandise database **112** , and then "sell" all such products while having the system ensure delivery and acceptance of all such products without further involvement from the seller. A seller's indication that any or all products have indeed sold, may be as simple as a noticeable increase in the seller's deposit account.

As previously indicated, the web-based purchasing system **100** of the present invention may be implemented through a web server and the various sellers and purchasers may access the system **100** by logging onto the web server, for example, through the World Wide Web portion of the Internet. The present invention thus includes a system to fully automate the entire commercial transaction process using a network computer system such as the Internet. The system and method preferably includes the escrowing of both funds and merchandise until the parties are satisfied with the transaction, automated dispatch of third party shippers, electronic confirmation of order pick-up and delivery, and built-in fraud protection. The system allows individuals and small businesses around the world to conveniently become importers and exporters of goods at a relatively low cost. The present invention may be implemented through a website that allows small businesses, merchants for antiques and collectibles, memorabilia enthusiasts, home crafters, sporting and entertainment season ticket holders, family households, and the like, to advertise their goods for sale, or the goods they desire to purchase, free of charge, until the sale is consummated.

Figure 6 shows an embodiment of the system **100** in which a user accesses only the delivery system **160** without utilizing the negotiation and/or payment aspects of the system **100**. Figure 6 is a flow chart depicting the various options for a person using the system **100** to access the delivery system **160** of Figure 1 to arrange for delivery of a package. The user can be the person possessing the package prior to pickup, the person to which final delivery is intended, or a separate third party. In function **602** a user connects to the system **100** by accessing website **170** and function **604** displays a default menu. The user may access the web site **170** via another's website, via a hyperlink or by reference from a net venue transaction participant. The default menu of function **604** gives the user various options such as: registering for the site (function **606**), logging on (function **610**), reading privacy information (function **616**), reading frequently asked questions (FAQ) (function **622**), reading information about the website (function **626**), and reading the user agreement for the site (function **630**). If the user decides to register (function **606**), a registration process is initiated (function **608**) (see Figure 7 for registration process), after which a delivery user menu (function **614**) is accessed (see Figure 9). If the user is already registered, the user may initiate (function **610**) a logon process (function **612**)(see Figure 8) to the system **100**. Once the logon is complete the delivery user menu (function **614**) is displayed (see Figure 9). If the user selects the privacy option (function **616**),

the privacy page is displayed (function **618**), and the default menu is retained (function **620**). If the user chooses to read the FAQ (function **622**), the FAQ page is displayed (function **624**), and the default menu is retained (function **620**). If the user selects About the website (function **626**), the About the website page is displayed (function **628**), and the default menu is retained (function **620**). If the user selects the user agreement (function **630**), the user agreement page is displayed (function **632**), and the default menu is retained (function **620**). If the user does not select any action, function **634** times out the session.

Figure 7 shows the user registration process (function **608**) shown in Figure 6. Function **702** begins the registration process. The new user is prompted to enter a user I.D. and a password for the site (function **704**). If the new user I.D. is not unique, the system prompts the user to enter a different user I.D. (function **706**). Once the user has entered a unique user I.D., the system determines whether or not the password is valid. If the password is not valid, the system will prompt the user to enter a new password (function **708**). Once a valid password is acquired, the user is prompted to enter basic registration information such as address, phone number, billing information, etc. (function **710**). The user is then logged into (function **712**) the system **100**, and the delivery user menu is displayed (function **714, 614**).

Figure 8 shows the user logon process (function **612**) shown in Figure 6. The user requests to logon (function **802**) to the system **100**, and a logon page is displayed (function **804**). The user is prompted to enter his/her user I.D. and password (function **806**). The system determines whether or not the user I.D. is valid (function **808**). If the user I.D. is valid, the system determines whether or not the password is valid (function **810**). If the user I.D. and password are valid, the delivery user menu is displayed (function **814, 614**). If either the user I.D. or the password is invalid, the logon is failed (function **812**) and the user is prompted to attempt to logon again (function **816**). If the user decides to attempt to logon again, the logon page is displayed (function **804**), and the functions already described repeat from that point. If the user decides not to attempt logon again, the user is prompted to register (function **818**). If the user decides not to register, the user exits the system **100** (function **820**). If the user decides to register, function **822** sends the user to function the user registration (function **702**) (see Figure 7).

Figure 9 shows the delivery user menu shown (function **614**) in Figure 6. Function **902** displays the delivery user menu. The delivery user menu allows the user to edit registration information (function **904**). If the user selects to edit registration information, the system sends the user to a registration edit function (function **906**). The delivery user menu allows the user to begin a transaction (function **908**); alternatively (not shown), a user may choose to cancel an existing transaction, initiate a trace of a shipment, or file a claim for damaged or missing items. If the user begins a transaction, the user is prompted to enter shipping details (function **910**) (see Figure 10). After entering shipping details, the user is prompted to enter payment details (function **912**) (see Figure 11). The delivery menu also allows a user to monitor existing transactions (function **914**). If the user chooses to monitor the status of an existing transaction, a transaction list is displayed (function **916**) (see Figure 12). The delivery menu allows the user to log out (function **918**) of the system **100**. While the user is logged on, the system while wait a predetermined amount of time for a user action (function **420**). If there is no user action the system times out the session (function **922**). If the session times out, or if the user logs out, the system ends the session and returns the user to the delivery homepage (function **924**) displaying the Default Menu (function **604**) (see Figure 6).

Figure 10 shows the shipping detail process (function **910**) of Figure 9. The system **100** displays the shipping details page (function **1002**). The user enters a pick-up address (function **1004**) and the system **100** filters out carrier options based on the pick-up address (function **1006**). The user then enters the delivery address (function **1008**) and the system **100** filters out carrier options based on the pick-up and delivery addresses (function **1010**). The user then selects a pick-up date (function **1012**) and the system **100** filters out carrier options based on the pick-up address, delivery address, and pick-up date (function **1014**). The user can select a delivery date (function **1016**) and the system **100** filters out carrier options based on the pick-up address, delivery address, pick-up date, and delivery date (function **1018**). The pick-up and delivery dates can designate an earliest available date, a latest possible date, or a date range for pick-up/delivery by the carrier. The user can select a price limit (function **1020**) and the system **100** filters out carrier options by pick-up and delivery addresses, pick-up and delivery dates, and price limit (function **1022**). The user can enter package details (i.e. weight, description, type of contents of each package, etc.) (function **1024**) and the system **100** filters out carrier options

based on pick-up and delivery addresses, pick-up and delivery dates, price limit, and package details (function **1026**). The system **100** allows the user to cancel the shipping transaction, or to select a carrier from the filtered carrier options (function **1028**). If the user has selected a carrier, the system requests the user to enter payment details (function **1030**) (see Figure 11). If the user does not select a carrier within a predetermined time or chooses to cancel the transaction, the system **100** will return the user to the user menu of Figure 9 (function **1032**).

Figure 11 shows the payment detail process (function **912**) of Figure 9. The system **100** allows the user to specify funding source information (i.e. amount, type, and source of funding) (function **1102**). The system **100** then determines whether the funding source information is complete (function **1104**). If the funding source information is incomplete the system **100** allows the user to re-enter the funding source information (function **1106**), and the system **100** again determines whether the funding source information is complete (function **1104**). Once the funding source information is complete, the system **100** determines whether funds can be validated (function **1108**) by the funding source. If the funds cannot be validated, the system **100** indicates that funds could not be verified with the current source (function **1110**) and the system **100** then determines whether or not there is another funding source available (function **1112**). If another funding source exists, the system **100** retrieves information about the alternative funding source (function **1114**) and requests the user to enter any additional funding source information (function **1106**). If an alternative funding source is unavailable, the system **100** determines that funds could not be validated (function **1122**), fails the transaction (function **1126**) and displays the delivery user menu (function **1128**) (see Figure 9). If the system **100** can validate funding (see function **1108**) the system then creates a final total itemization of charges (function **1116**). The system then requests the user to either accept or decline the total (function **1118**). If the user accepts the total, the system **100** displays a confirmation screen (function **1120**), and determines whether the validation of funds remains viable (validation may become inactive if a predetermined time period has elapsed) (function **1122**). If the validation is viable, the system completes the transaction/shipping request (function **1124**) and returns the user to the delivery user menu (function **1128**) (see Figure 9). If the system **100** cannot validate funding (i.e. the user does not accept the total charges, the original validation is no longer viable, or

validation was never achieved), the system **100** will fail the transaction (function **1126**) and display the delivery user menu (function **1128**).

Figures 12 through 14 show the display transaction process (function **1202, 916**) of Figure 9. If the user selects to display the transaction list the system **100** determines whether the user has any pending transactions with the system (function **1204**). If the user does not have any transactions, the system **100** determines whether a prior transaction has been cancelled (function **1205**). If a previous transaction has been cancelled, the system displays a message indicating that the transaction has been cancelled (function **1207**). If a transaction has not been cancelled, the system **100** displays a message indicating the absence of any transactions (function **1206**). If the user has one or more pending transactions, the system **100** determines whether shipping data has been entered (function **1208**). If the transaction has the system **110** displays a message indicating that a transaction has been initiated, for which the shipping data is incomplete (function **1210**). If the shipping data has been entered, the system **100** determines whether the payment data for shipping has been completed (function **1212**). If the payment data is incomplete, the system **100** displays a message indicating that the shipping data is completed, and the payment data is pending (function **1214**). If the payment data is complete, the system **100** determines whether a package level detail (PLD) file (i.e. pick-up information, size/number of packages, etc.) has been created for the transaction (function **1216**), and whether the PDL has been forwarded to the carrier (function **1222**). If the PDL has not been created, or not been forwarded to the carrier, the system **100** will display a message indicating that payment data is complete and carrier pick-up is pending (function **1218, 1224**); and cancellation of the transaction is prohibited (function **1220, 1226**). If the PLD file has been forwarded to the carrier, the system **100** determines whether the package has been picked up (function **1228**). If the package has not been picked up, the system **100** displays a message indicating that payment data is complete and carrier pickup is pending (function **1230**). If the package has been picked up, the system determines whether the package is still in transit to the delivery address (function **1232**). If the package is in transit, the system displays a message indicating that the shipment has been picked up by the carrier and is in transit to the delivery address (function **1234**). If the shipment is no longer in transit, the system determines whether the package has been delivered (function **1236**). If the package has not been delivered, the system **100** determines whether a

trace is pending on the package (function **1240**). If a trace is pending, the system **100** displays a message indicating that a trace is in progress (function **1242**). If no trace is pending, the system **100** displays a message indicating that the shipment has been picked up by the carrier and is still in transit (function **1238**). If the package has been delivered, the system **100** determines whether a damage claim is pending on the package (function **1244**). If a damage claim is pending, the system displays a message indicating that a damage claim is pending (function **1246**). If no damage claim is pending, the system **100** determines whether the transaction is complete (function **1252**). If the transaction is complete, the system displays a message indicating that the transaction is complete (function **1254**). If the transaction is not complete, the system displays the delivery user menu (function **1256**) (see Figure 9).

Although the present invention has been described in considerable detail with reference to certain presently preferred versions thereof, other versions are possible without departing from the spirit and scope of the present invention. Therefore the appended claims should not be limited to the description of the preferred versions contained herein.

Claims

What is claimed is:

1. A method of sending an item comprising the steps of:
receiving by a facilitator pick-up information for an item from a first party,
combining facilitator acquired delivery information with the pick-up information to form a transit information for the item,
communicating the transit information from the facilitator to a commercial carrier, and
transmitting a request from the facilitator to the commercial carrier to pick up the item at a first location other than the facilitator's location and to deliver the item to a second location other than the facilitator's location.

2. A method as claimed in claim 1, wherein the first location is part of the pick-up information, the second location is part of the delivery information, and the delivery information is provided by a second party.

3. A method as claimed in claim 1, wherein the first location is a part of the pick-up information.

4. A method as claimed in claim 1, wherein the second location is a part of the delivery information.

5. A method as claimed in claim 1, wherein the carrier is selected from a plurality of delivery services.

6. A method as claimed in claim 1, further comprising the step of:
receiving credit information to be used for payment to the carrier.

7. A method as claimed in claim 1, further comprising the step of:
picking up the item by the carrier at the first location and delivering the item to the second location.

8. A method as claimed in claim 1, further comprising the steps of:
preparing a label, and
delivering the label to the first location.

9. A method as claimed in claim 1, further comprising the step of:
notifying the carrier by the facilitator upon recipient rejection of the item.

10. A method as claimed in claim 9, wherein the item is rejected for being damaged.

11. A method as claimed in claim 9, wherein the item is rejected for failing to meet the recipient's expectations.

12. A method as claimed in claim 1, wherein the first location represents an address provided by a seller and the second location represents an address provided by a purchaser, and claim 1, further comprising the step of:
receiving by the facilitator information regarding a sales transaction between the purchaser and the seller of the item.

13. A method as claimed in claim 12, further comprising the step of:
providing for a transfer of funds from the purchaser to the seller.

14. A method as claimed in claim 12, wherein the information regarding the sales transaction includes a purchase price that is predetermined by the seller and stored within a product profile table.

15. A method as claimed in claim 12, further comprising the step of:
negotiating a purchase price for the item.

16. A method as claimed in claim 12, wherein the address provided by the seller is stored in a product profile table and the carrier is requested to pick up the item from the stored address.

17. A method as claimed in claim 12, further comprising the step of:
notifying the seller that a pick-up is scheduled, and
receiving verification from the seller that the item is available for pick-up prior to the carrier picking up the item from the seller.

18. A method as claimed in claim 12, further comprising the step of:
receiving a rejection of the item from the purchaser and arranging for re-delivery of the item to the first location.

19. A method as claimed in claim 12, wherein the sales transaction is negotiated using a net venue transaction participant, the participant directing the sales transaction information to the facilitator, and claim 12, further comprising the steps of:
collecting payments on behalf of the participant, and
transferring the collected payments to the participant.

20. A method as claimed in claim 12, wherein the information regarding a sales transaction includes a purchase price, and claim 12, further comprising the step of:
transferring an amount at least equal to the purchase price from a purchaser's financial account into an escrow account.

21. A method as claimed in claim 20, further comprising the step of:
transferring at least a portion of the purchase price from the escrow account to a seller's financial account.

22. A method as claimed in claim 21, further comprising the step of:
receiving an acceptance of the item from the purchaser prior to the step of transferring at least a portion of the purchase price from the escrow account to the seller's financial account.

23. A method as claimed in claim 22, further comprising the step of:
waiting a predetermined amount of time to receive a notice of rejection from the purchaser, and
transferring at least a portion of the purchase price from the escrow account to the seller's financial account upon passage of the predetermined amount of time without receiving notice of rejection.

24. A method as claimed in claim 12, wherein the information regarding the sales transaction includes a purchase offer.

25. A method as claimed in claim 24, wherein the purchase offer includes a purchase price.

26. A method as claimed in claim 12, wherein the information regarding the sales transaction includes a sales offer.

27. A method as claimed in claim 26, wherein the sales offer includes a sales price.

28. A method as claimed in claim 12, further comprising the step of:
creating a transaction identification number associated with the sales transaction.

29. A method as claimed in claim 25, further comprising the step of:
transmitting a request for authorization for credit of a transaction amount against a purchaser's financial account.

30. A method as claimed in claim 29, wherein the purchaser's financial account is selected from the group consisting of credit card account, check card, and electronic check.

31. A method as claimed in claim 29, wherein the request for authorization is transmitted prior to notifying the seller of the purchase offer.

32. A method as claimed in claim 29, wherein the transaction amount comprises the purchase price, a calculated shipping charge and transaction fees.

33. A method as claimed in claim 29, further comprising the steps of:
receiving an approved request for authorization, and
notifying the seller that the purchaser is authorized to purchase the item.

34. A method as claimed in claim 29, further comprising the step of:
receiving an approved request for authorization.

35. A method as claimed in claim 34, further comprising the step of:
reserving funds in the amount of the transaction amount from the purchaser's financial account without withdrawing the funds from the purchaser's financial account.

36. A method as claimed in claim 34, further comprising the step of:
transferring an amount at least equal to the purchase price from the purchaser's financial account into an escrow account.

37. A method as claimed in claim 36, further comprising the step of:
transferring at least a portion of the purchase price from the escrow account to a seller's associated financial account.

38. A method as claimed in claim 29, wherein the approved request for authorization is for a period of time, and claim 29, further comprising the step of:
extending the authorization period of time for a re-time period prior to expiration of the authorization period of time.

39. A method as claimed in claim 38, further comprising the step of:
canceling an authorization request by providing a re-time period of zero days.

40. A method of facilitating a transaction comprising the steps of:
transmitting a request for authorization for credit of a transaction amount against a purchaser's financial account,
receiving an approved request for authorization for a period of time, and
extending the authorization period of time for a re-time period prior to expiration of the authorization period of time.

41. A method as claimed in claim 40, wherein the authorization has an associated authorization number.

42. A method as claimed in claim 40, wherein the authorization is retained during the extended period of time.

43. A method as claimed in claim 40, wherein the step of extending the authorization period of time is repeated until an occurrence.

44. A method as claimed in claim 43, wherein the occurrence is a cancellation of the transaction.

45. A method as claimed in claim 43, wherein the occurrence is a completed transaction.

46. A method as claimed in claim 43, wherein the occurrence is a predetermined fulfillment date.

47. A method as claimed in claim 40, further comprising the step of:
canceling an authorization request by providing a re-time period of zero days.

48. A method as claimed in claim 40, wherein the transaction involves the sale of a good.

49. A method as claimed in claim 40, wherein the transaction involves the sale of a service.

50. A method as claimed in claim 40, wherein the transaction amount comprises a purchase price and transaction fees.

51. A method of providing escrow services for a transaction comprising the steps of:
transferring a transaction amount at least equal to a purchase price from a purchaser's financial account into an escrow account,
sending at least a portion of the purchase price from the escrow account to a seller's associated financial account, and
integrating the transferring and sending steps into a purchasing process.

52. A method as claimed in claim 51, wherein the purchasing process comprises negotiation between a seller and a purchaser using a net venue transaction participant.

53. A method as claimed in claim 51, wherein the sending step is performed without authorization of the purchaser.

54. A method as claimed in claim 53, wherein the transferring step is performed after a predesignated time period.

55. A method as claimed in claim 51, wherein the transaction involves the sale of a good.

56. A method as claimed in claim 51, wherein the transaction involves the sale of a service.

57. A method as claimed in claim 51, wherein the transaction amount comprises the purchase price and transaction fees.

58. A method of sending an item comprising the steps of:
receiving by a facilitator pick-up information for an item from a first party,
combining facilitator acquired delivery information with the pick-up information to form a transit information for the item,
communicating the transit information from the facilitator to a commercial carrier, and
transmitting a request from the facilitator to the commercial carrier to pick up the item at a first location other than the facilitator's location and to deliver the item to a second location other than the facilitator's location,
wherein the delivery information is provided by the first party.

59. A method as claimed in claim 58, wherein the first location is a location of the first party.

60. A method as claimed in claim 58, wherein the second location is a location of the first party.

61. A method as claimed in claim 58, wherein a location of the first party is a location other than the first location and the second location.

62. A web-based purchasing method using a networked computer system to facilitate the purchase of merchandise by a purchaser from a seller, the seller and the purchaser each having an associated financial account, the computer system comprising a merchandise database having stored therein a product profile table for the merchandise, the method comprising the steps of:

(a) receiving over the network a purchase offer from the purchaser to purchase the merchandise at a purchase price, the purchase offer associated with the purchaser's financial account;

(b) generating and transmitting a request for authorization for credit against the purchaser's financial account to a financial institution associated with the purchaser's financial account to verify that the purchaser has at least the purchase price in the purchaser's financial account to make the purchase;

(c) generating an authorization indicator in response to the request for authorization;

(d) reviewing the authorization indicator to verify that the purchaser is authorized to make the purchase using the purchaser's financial account;

(e) transmitting a request to a carrier to pick up the merchandise from an address specified by the seller;

(f) picking up the merchandise from the seller;

(g) transferring an amount at least equal to the purchase price from the purchaser's financial account into an escrow account;

(h) delivering the merchandise to the purchaser; and

(i) transferring at least a portion of the purchase price from the escrow account to the seller's associated financial account.

Figure 1

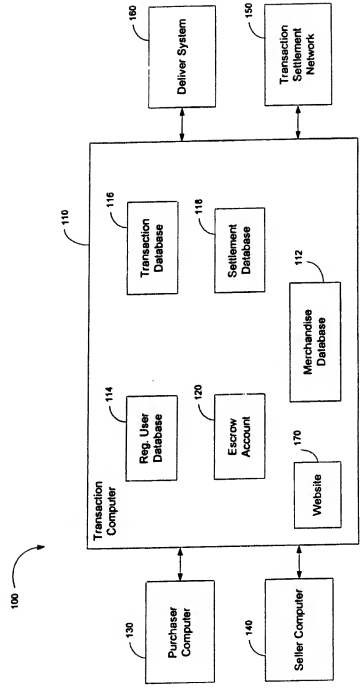

100
110
Transaction Computer
114
Reg. User Database
116
Transaction Database
118
Settlement Database
120
Escrow Account
112
Merchandise Database
170
Website
130
Purchaser Computer
140
Seller Computer
160
Deliver System
150
Transaction Settlement Network

Figure 2

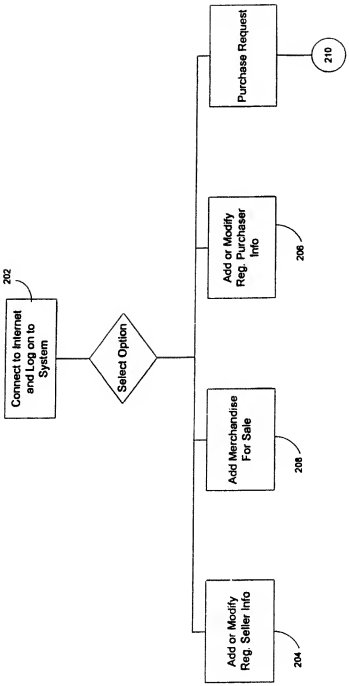

202
Connect to Internet and Log on to System
Select Option
Add or Modify Reg. Seller Info
204
Add Merchandise For Sale
208
Add or Modify Reg. Purchaser Info
206
Purchase Request
210

Figure 3

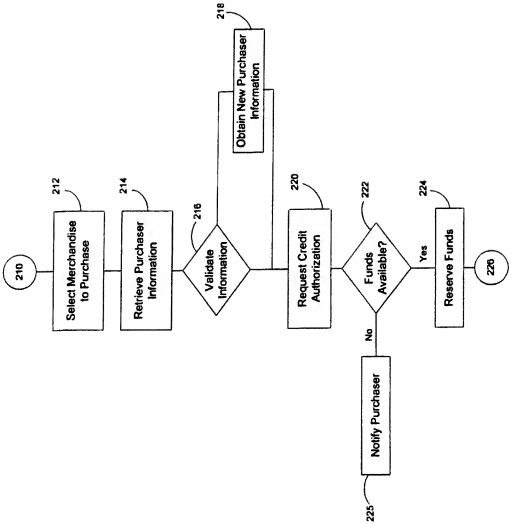

210
Select Merchandise to Purchase
212
Retrieve Purchaser Information
214
Validate Information
216
Obtain New Purchaser Information
218
Request Credit Authorization
220
Funds Available?
222
No
Notify Purchaser
225
Yes
Reserve Funds
224
226

Figure 4

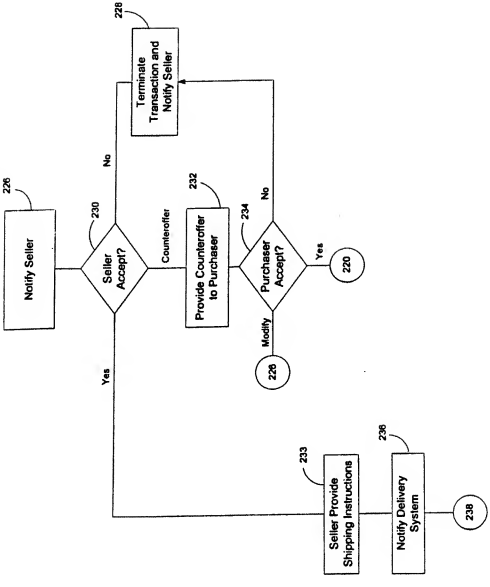
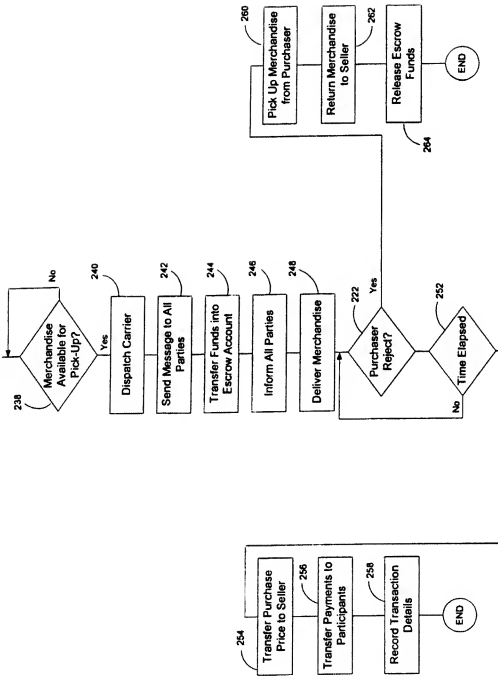

226
Notify Seller
230
Seller Accept?
No
228
Terminate Transaction and Notify Seller
Counteroffer
232
Provide Counteroffer to Purchaser
234
Purchaser Accept?
No
Yes
220
Modify
225
Yes
233
Seller Provide Shipping Instructions
236
Notify Delivery System
238

Figure 5


Merchandise Available for Pick-Up?
238
No
Yes
Dispatch Carrier
240
Send Message to All Parties
242
Transfer Funds into Escrow Account
244
Inform All Parties
246
Deliver Merchandise
248
Purchaser Reject?
222
Yes
Time Elapsed
252
No
Yes
Pick Up Merchandise from Purchaser
260
Return Merchandise to Seller
262
Release Escrow Funds
264
END
Transfer Purchase Price to Seller
254
Transfer Payments to Participants
256
Record Transaction Details
258
END

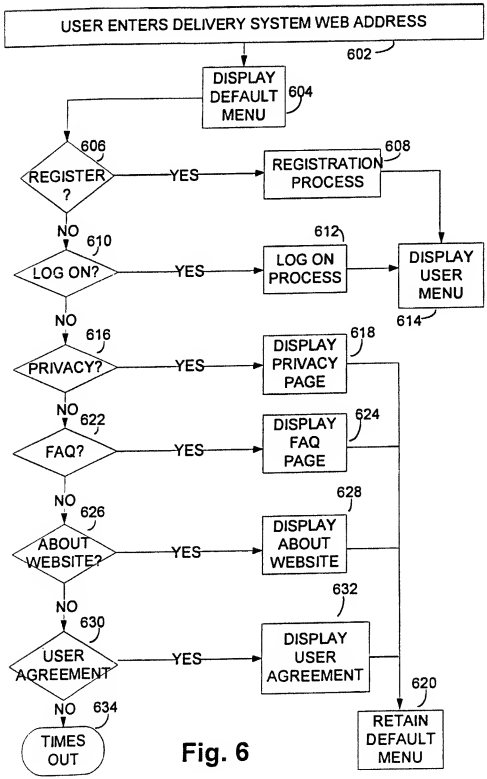

USER ENTERS DELIVERY SYSTEM WEB ADDRESS
602
DISPLAY DEFAULT MENU
604
606
REGISTER ?
YES
608
REGISTRATION PROCESS
NO
610
LOG ON?
YES
612
LOG ON PROCESS
DISPLAY USER MENU
614
NO
616
PRIVACY?
YES
618
DISPLAY PRIVACY PAGE
NO
622
FAQ?
YES
624
DISPLAY FAQ PAGE
NO
626
ABOUT WEBSITE?
YES
628
DISPLAY ABOUT WEBSITE
NO
630
USER AGREEMENT
YES
632
DISPLAY USER AGREEMENT
NO
634
TIMES OUT
620
RETAIN DEFAULT MENU

Fig. 6

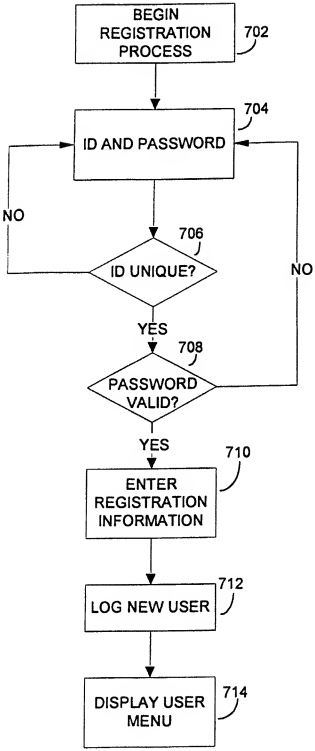

BEGIN REGISTRATION PROCESS
702
ID AND PASSWORD
704
NO
706
ID UNIQUE?
NO
YES
708
PASSWORD VALID?
YES
710
ENTER REGISTRATION INFORMATION
712
LOG NEW USER
DISPLAY USER MENU
714

Fig. 7

Fig. 8

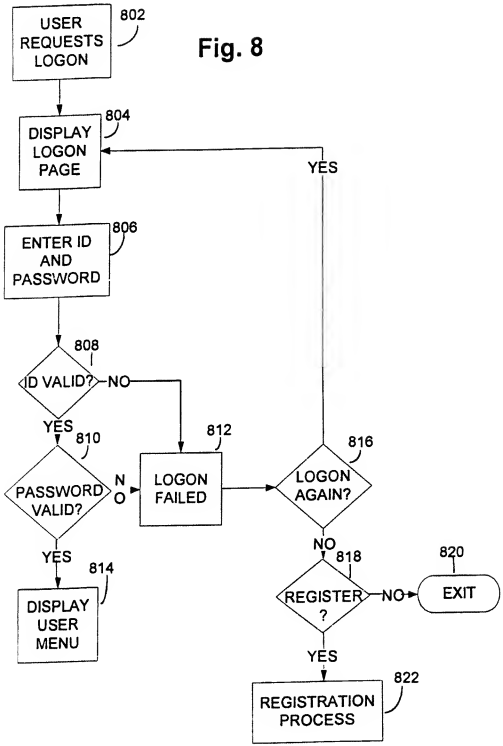
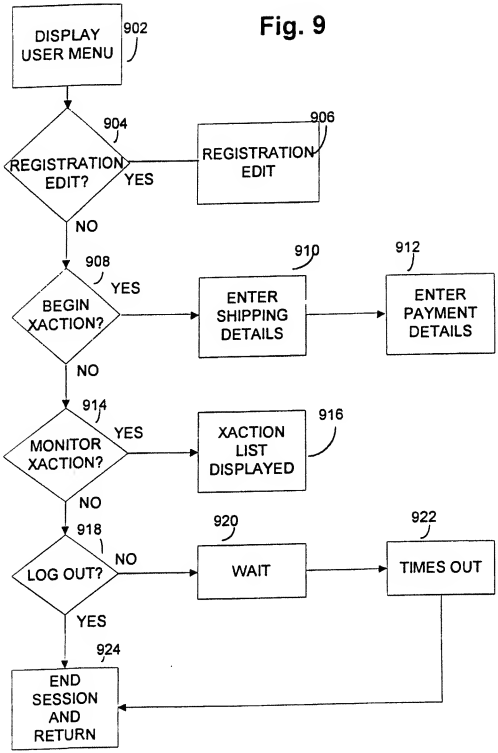

USER REQUESTS LOGON
802
DISPLAY LOGON PAGE
804
ENTER ID AND PASSWORD
806
ID VALID?
808
NO
YES
PASSWORD VALID?
810
NO
YES
LOGON FAILED
812
LOGON AGAIN?
816
YES
NO
DISPLAY USER MENU
814
REGISTER ?
818
NO
EXIT
820
YES
REGISTRATION PROCESS
822

Fig. 9


DISPLAY USER MENU
902
REGISTRATION EDIT?
904
YES
REGISTRATION EDIT
906
NO
BEGIN XACTION?
908
YES
ENTER SHIPPING DETAILS
910
ENTER PAYMENT DETAILS
912
NO
MONITOR XACTION?
914
YES
XACTION LIST DISPLAYED
916
NO
LOG OUT?
918
NO
WAIT
920
TIMES OUT
922
YES
END SESSION AND RETURN
924

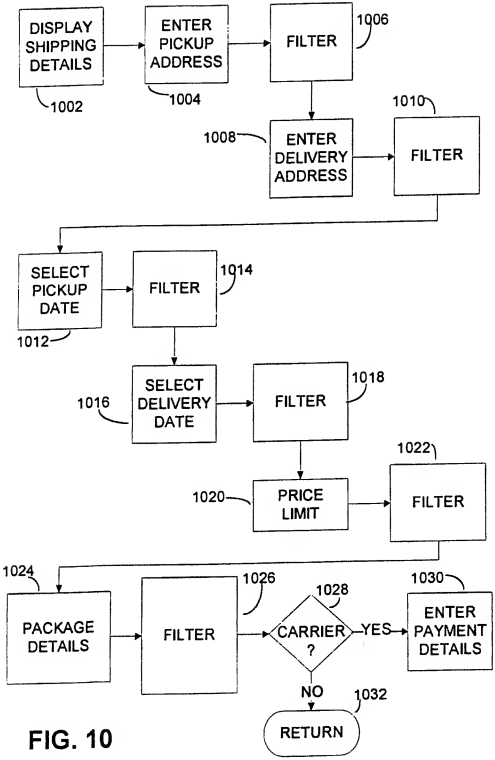

DISPLAY SHIPPING DETAILS
1002
ENTER PICKUP ADDRESS
1004
FILTER
1006
ENTER DELIVERY ADDRESS
1008
FILTER
1010
SELECT PICKUP DATE
1012
FILTER
1014
SELECT DELIVERY DATE
1016
FILTER
1018
PRICE LIMIT
1020
FILTER
1022
PACKAGE DETAILS
1024
FILTER
1026
CARRIER ?
1028
YES
ENTER PAYMENT DETAILS
1030
NO
RETURN
1032

FIG. 10

Fig. 11

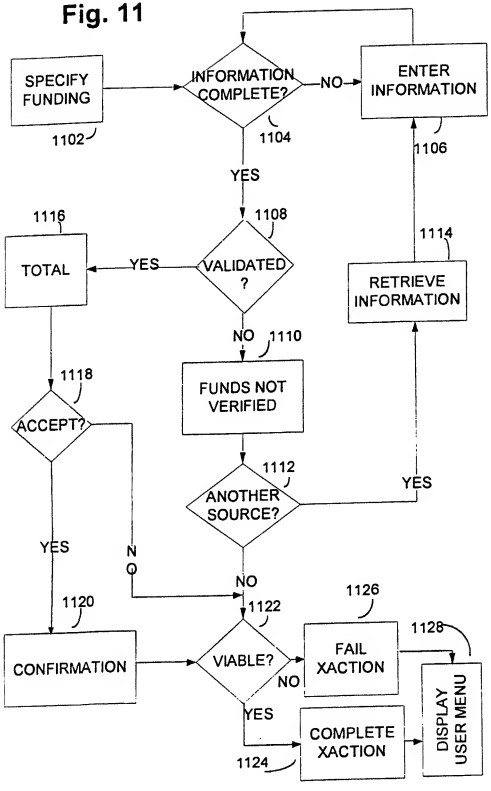
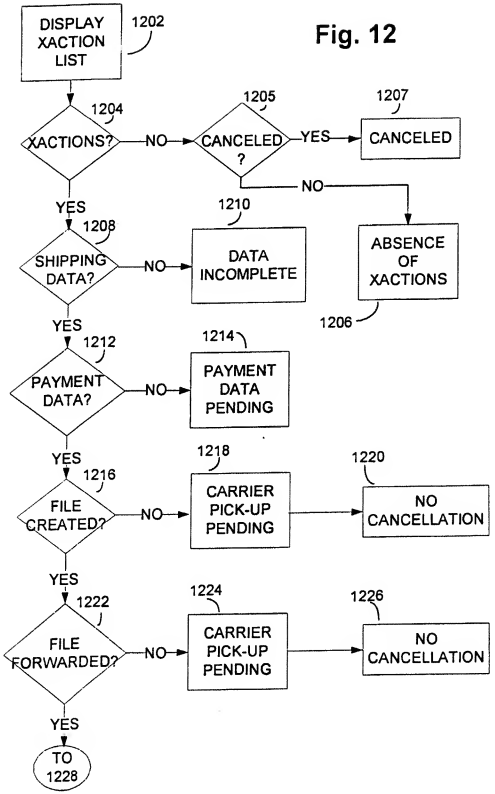

SPECIFY FUNDING
1102
INFORMATION COMPLETE?
1104
NO
ENTER INFORMATION
1106
YES
1116
TOTAL
YES
1108
VALIDATED ?
1114
RETRIEVE INFORMATION
NO
1110
FUNDS NOT VERIFIED
1118
ACCEPT?
1112
ANOTHER SOURCE?
YES
YES
NO
NO
1120
CONFIRMATION
1122
VIABLE?
1126
FAIL XACTION
1128
DISPLAY USER MENU
NO
YES
COMPLETE XACTION
1124

Fig. 12


DISPLAY XACTION LIST
1202
XACTIONS?
1204
NO
CANCELED ?
1205
YES
CANCELED
1207
NO
YES
SHIPPING DATA?
1208
NO
DATA INCOMPLETE
1210
ABSENCE OF XACTIONS
1206
YES
PAYMENT DATA?
1212
NO
PAYMENT DATA PENDING
1214
YES
FILE CREATED?
1216
NO
CARRIER PICK-UP PENDING
1218
NO CANCELLATION
1220
YES
FILE FORWARDED?
1222
NO
CARRIER PICK-UP PENDING
1224
NO CANCELLATION
1226
YES
TO 1228

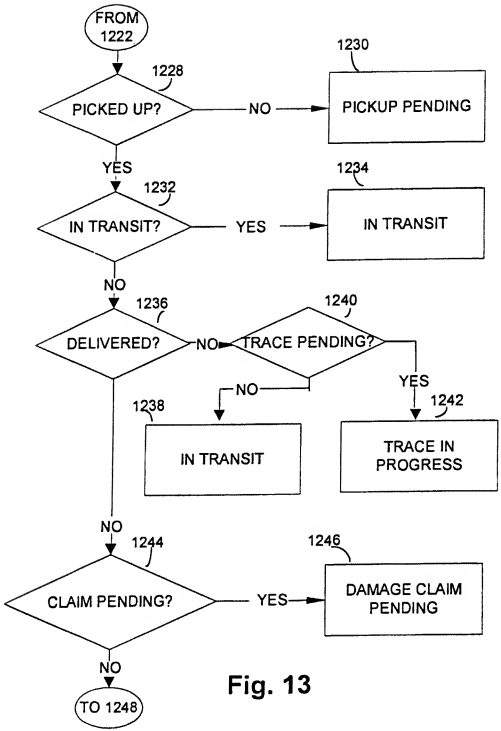

FROM 1222
1228
PICKED UP?
NO
1230
PICKUP PENDING
YES
1232
IN TRANSIT?
YES
1234
IN TRANSIT
NO
1236
DELIVERED?
NO
1240
TRACE PENDING?
YES
NO
1238
IN TRANSIT
1242
TRACE IN PROGRESS
NO
1244
CLAIM PENDING?
YES
1246
DAMAGE CLAIM PENDING
NO
TO 1248

Fig. 13

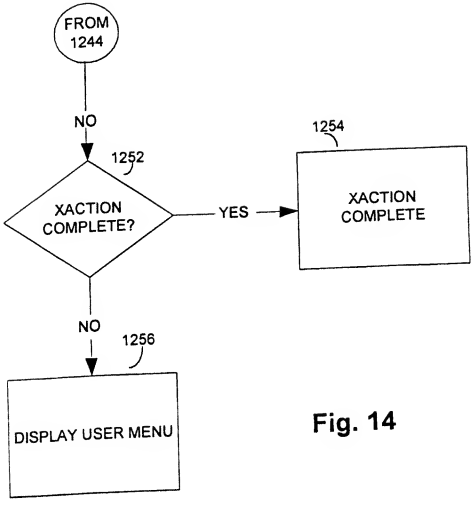

FROM
1244
NO
1252
XACTION
COMPLETE?
YES
1254
XACTION
COMPLETE
NO
1256
DISPLAY USER MENU

Fig. 14

INTERNATIONAL SEARCH REPORT

International application No
PCT/US00/24592

A. CLASSIFICATION OF SUBJECT MATTER
IPC(7) :G06F 17/60
US CL :705/39
According to International Patent Classification (IPC) or to both national classification and IPC

B. FIELDS SEARCHED

Minimum documentation searched (classification system followed by classification symbols)

U.S. : 705/1, 26, 27, 39; 707/10, 100-104; 364/479.01

Documentation searched other than minimum documentation to the extent that such documents are included in the fields searched

Electronic data base consulted during the international search (name of data base and, where practicable, search terms used)

C. DOCUMENTS CONSIDERED TO BE RELEVANT

Category*	Citation of document, with indication, where appropriate, of the relevant passages	Relevant to claim No.
A	US 5,910,896 A (HAHN-CARLSON) 08 JUNE 1999, SEE COLUMN 4, LINE 5 TO COLUMN 8, LINE 50	1-62
A	US 5,794,207 A (WALKER et al) 11 AUGUST 1998, SEE COLUMN 9, LINE 17 TO COLUMN 10, LINE 56.	1-62
A	US 5,717,989 A (TOZZOLI et al) 10 FEBRUARY 1998, SEE COLUMN 14, LINE 52 TO COLUMN 17, LINE 41.	1-62
A	US 5,222,018 A (SHARPE et al) 22 JUNE 1993, SEE COLUMN 3, LINE 45 TO COLUMN 11, LINE 51.	1-62

☐ Further documents are listed in the continuation of Box C. ☐ See patent family annex.

* Special categories of cited documents
"A" document defining the general state of the art which is not considered to be of particular relevance
"E" earlier document published on or after the international filing date
"L" document which may throw doubts on priority claim(s) or which is cited to establish the publication date of another citation or other special reason (as specified)
"O" document referring to an oral disclosure, use, exhibition or other means
"P" document published prior to the international filing date but later than the priority date claimed

"T" later document published after the international filing date or priority date and not in conflict with the application but cited to understand the principle or theory underlying the invention
"X" document of particular relevance; the claimed invention cannot be considered novel or cannot be considered to involve an inventive step when the document is taken alone
"Y" document of particular relevance; the claimed invention cannot be considered to involve an inventive step when the document is combined with one or more other such documents, such combination being obvious to a person skilled in the art
"&" document member of the same patent family

Date of the actual completion of the international search	Date of mailing of the international search report
31 OCTOBER 2000	05 JAN 2001
Name and mailing address of the ISA/US Commissioner of Patents and Trademarks Box PCT Washington, D.C. 20231	Authorized officer FRANTZY POINVIL
Facsimile No. (703) 305-3230	Telephone No. (703) 305-9779

Form PCT/ISA/210 (second sheet) (July 1998)*